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AUTHOR Honan, James P.
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ABSTRACT

Corporate-based education programs, the response of higher education, and the cooperation between business and higher education are considered. It is suggested that the fact that private industry has moved into the degree-granting arena, even to a small extent, may indicate that higher education needs to be more responsive to the business sector. Corporate education differs from higher education in that it tends to serve primarily institutional needs rather than personal needs, is characterized by unusually high motivation of participants, the workplace is the setting for learning and doing, and it has a pragmatic orientation. However, despite some fundamental differences in purpose and orientation, corporate education centers sometimes bear a striking resemblance to traditional colleges and universities. A corporation may be better able to accommodate rapidly changing knowledge requirements by conducting its own education program rather than attempting to work through a college or university. Corporations and institutions of higher education are involved in numerous partnership activities ranging from national projects to individual collegiate/corporate efforts. However, higher education may have to institute significant changes in its structure and develop additional nontraditional delivery systems if it is to serve the educational needs of the business sector. Colleges and universities must become more sensitive to the manpower needs of industry and must carefully evaluate their ability to respond to these needs in a way that is consistent with their institutional mission. Higher education needs more flexibility and adaptability in course and program approval, missions procedures, residency requirements, and course and program duration. (SW)

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Corporate education: threat or opportunity?

James P. Honan

> Industry is . . . no less a segment of the nation's educational system than our colleges and universities, technical institutes, and other schools. It develops its own courses and curricula, employs faculty and nonteaching professional staff, carries on formal instructional activities, and evaluates its programs and methods, and often does these in well-designed and equipped facilities that are devoted to them exclusively (Lusterman 1977a, p. 3).

Corporate-based education programs have grown in both scope and magnitude during the past decade. Several large corporations, including IBM, AT&T, Wang, and Xerox, are assuming a major role in educating and training their employees in fields heretofore primarily the responsibility of colleges and universities (Craig and Evers 1981, p. 29). The expansion of employer-provided education can be viewed as either a threat to traditional campus-based degree programs or as an opportunity to reexamine the structure and purpose of higher education.

The rise of corporate education

Estimates of the total annual expenditures for education and training by business and industry vary considerably. Goldstein (1980) suggests that an accurate estimate would be approximately $10 billion. The American Society for Training and Development estimates the figure is closer to $30 billion (Craig and Evers 1981, p. 29). Collecting data to assess the actual magnitude of corporate-based educational activities has been a difficult task. Fraser (1980) indicates that "until an adequate recording and measurement system is devised and implemented, it is clear that we shall have to continue to rely on the varying estimates and conjectures put forth regarding the extent of education and training in business and industry" (p. 38).

Regardless of the problems in collecting data on the costs, it is quite clear that employer-provided education is a large and growing enterprise that will have a lasting impact on colleges and universities. Higher education now shares a significant portion of society's teaching and learning role with private industry. Gold (1981) highlights the implications of this situation for higher education: "As business expands its training capacity and hires larger numbers of imaginative, ambitious professionals to staff its training programs, encroachments will be made on the formal education system. But a head-on battle need not happen if the two sides can agree on roles appropriate to their community and economic contexts" (p. 15). A direct confrontation between higher education and business would clearly have serious consequences, especially in areas such as faculty hiring and student enrollments. Attracting high quality faculty would be difficult for higher education if it had to compete directly with the business sector; indeed, in areas where such competition now exists, such as computer science, colleges are finding few candidates for the numerous positions available.

The growth of corporate education has also raised several questions regarding the relationship between education and work. Such questions include: Who is responsible for preparing people for work? What are the respective responsibilities of corporations and colleges and universities? Should there be any coordination of effort between corporate-based programs and campus-based programs? For college and university administrators, unfavorable economic conditions and dwindling resources increase the importance of these questions.

Institutional distinctions become blurred as employer-provided education programs increase in number. Gold (1981) characterizes the implications of this phenomenon for higher education:

> The very boundaries of a university or college seem to disappear when corporations grant degrees, when colleges engage in more technical training, and when learners increasingly receive college credit for learning through life and work experience outside the academy. It is not at all clear whether the blurring of these boundaries ought to be taken as a welcome opportunity or an emerging problem (p. 9).

Although the number of employers who actually grant degrees is quite small, several issues regarding the meaning and purpose of a college degree arise. The fact that private industry has moved into the degree-granting arena, even to a small extent, may indicate that higher education needs to be more responsive to the business sector.

The purposes of corporate education

Although specific purposes of corporate education vary from firm to firm, its major role is to "adapt previously acquired general knowledge and skills to the needs of the job" (Goldstein 1980, p. 1). Another observer indicates that employer-provided education "is concerned with achieving limited and specific ends in the most economic and efficient way" (Lusterman 1977, p. 66). Although the aims and purposes of higher education overlap to some extent with those of corporate education, several distinguishing characteristics of corporate education exist. Lusterman (1977a) identifies these characteristics as: (1) unusually high motivation of participants, (2) the workplace as the setting for the learning and the doing, (3) pragmatic orientation (p. 66).

Corporate education differs from higher education in that it tends to serve primarily institutional needs rather than personal needs: "While incidentally supportive of the job and career aspirations of participating employees, most employer-sponsored education stems from business needs" (Lusterman 1977a, p. 80). Most observers indicate that higher education tends to exhibit just the opposite characteristic; it aims primarily to fulfill individual needs.

Despite some fundamental differences in purpose and orientation, corporate education centers sometimes bear a striking resemblance to traditional colleges and universities. The Wang Institute of Graduate Studies, which offers a master's degree in software engineering, is sometimes referred to as "the university" (McLellan 1980, p. 106). IBM's Systems Research Institute (SRI), founded in 1960, provides graduate-level training in computing and information systems sciences. The institute's mission statement resembles that of a traditional institution of higher education:

> The institute's educational philosophy is in many ways that of a university. It stresses fundamental and conceptual education and allows students to choose those courses that will best nurture their own development. The intent is to stimulate and challenge, to teach the theoretical and the practical, to discuss and argue differing viewpoints, to broaden the individual, focusing on his or her special skills" (IBM Systems 1981, p. 6).

Corporations choose to provide their own educational programs

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James P. Honan is research assistant with the ERIC Clearinghouse on Higher Education.

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for a variety of reasons, mostly related to economic and business considerations (see Dean 1980; Luxenberg 1978-79, 1980; Lynton 1981b). In many cases, in-house courses and programs are offered even if similar courses are available from a nearby college or university. Lusterman (1977a) notes that "a major portion of the education-training activity of business . . . is undertaken not because there is no alternative, but from the judgment that benefits will justify the costs and, in fact, represent investment opportunities" (p. 6). He indicates that employer-provided education programs can sometimes improve employee morale, reduce turnover rates, create a learning environment in the workplace, and generally boost a firm's image and reputation.

The response of higher education

Fundamental differences in purpose and in operating procedures between corporations and institutions of higher education make it difficult for higher education to respond to the teaching/learning needs of industry. In many cases, corporations offer their own education programs because they do not believe traditional colleges and universities can fulfill their specific needs and requirements. Brazziel (1981) highlights this viewpoint: "Because development of appropriate programs can be difficult for higher education institutions, in-house corporate education and training programs are rapidly increasing, frequently in communities with colleges and universities that are operating at less than full capacity" (p. 51).

Knowledge requirements in several fields, especially high-technology industries, are constantly changing, and education programs that prepare employees to work in these fields must change as well. A corporation may be better able to accommodate rapidly changing knowledge requirements by conducting its own education program rather than attempting to work through a college or university (see McLellan 1980). College and university faculty may not understand the specific knowledge requirements of the business sector. This fact, along with the methods of course development found in most colleges, means that it may take one or two years to develop a new course or program responsive to the needs of business or industry. Development of a mechanism for involving faculty in the assessment of industry's knowledge requirements would greatly benefit both business and higher education.

It is clear that the education and training requirements of business and industry are increasing and that higher education can play a role in fulfilling at least some of these needs if certain necessary structural and procedural adjustments are made. Lynton (1981b) contends that "if academic institutions are to provide even a fraction of this broad array of educational services, they must develop considerable flexibility, adaptability, and speed in their development and delivery" (p. 9). He has identified a number of corporate criticisms of higher education that hinder collaborative action. They include: a lack of adequate basic skills development in college graduates, a lack of emphasis on problem solving and practical knowledge, and the use of teaching methods not of maximum benefit to adult learners. Other criticisms relate to the lack of flexibility with regard to academic program design, review, and approval; admission and registration policies; delivery systems; and use of faculty (p. 12).

Prospects for resolving these issues are unclear at present, but it is safe to assume that fundamental and long-term changes will be necessary if colleges and universities are to effectively address these criticisms.

Business/higher education partnerships

Corporations and institutions of higher education are involved in numerous partnership activities ranging from national projects to individual collegiate/corporate efforts. The American Council on Education's Program on Noncollegiate Sponsored Instruction translates course work taken outside colleges and universities into traditional academic credit hours. Credit recommendations for more than 1,100 courses offered by approximately 100 noncollegiate institutions are published in *The National Guide to Educational Credit for Training Programs*. The National Institute for Work and Learning has helped to establish a joint Bachelor of Arts program by bringing together the University of Pennsylvania and INA Corporation, a large national insurance firm. The degree program is offered at the INA worksite after work hours and is fully financed by INA's tuition-assistance plan (Charner 1981, p. 3).

The Business-Higher Education Forum, founded in 1978 in affiliation with the American Council on Education and consisting of corporate and academic chief executives, focuses on a wide range of issues of mutual interest and concern to business and higher education. Finally, numerous individual corporations and colleges have established cooperative academic programs. Lynton (1981b) stresses the need for such cooperation and favors an expansion of collaborative efforts (see also Cross 1981b).

Future partnership prospects

The business/higher education relationship is obviously complex and varies according to institution and corporation. Indications that there are limits to the partnership may be unsettling to college and university administrators. Brazziel (1981) contends that "although college and university partnerships [with business and industry] will enable institutions [of higher education] to share in the rapid growth of in-service education, cooperative programs will not replace in-house corporate course offerings" (p. 53). That the corporate education enterprise is a significant institution is clear; its future presence on the education scene is equally clear.

Some observers look for improvements in the business/higher education partnership in the future. Gold (1981) contends that business and higher education ". . . do not yet engage the vested interests of the two sides" (p. 13). He states further that "we have not yet reached a point where the enrollments of higher education or the profits of corporations have been tied to direct collaborative planning and action" (p. 13). A mechanism to carry out such joint activities does not exist at present; future efforts in this area may help to strengthen the partnership.

Doeringer and others (1981) have set forth a nontraditional alternative to business/higher education collaboration. They suggest the chartering of proprietary institutions designed specifically to meet the rapidly changing knowledge requirements of private industry. These institutions could meet training and education needs not presently met by higher education. They state:

> These proprietary schools of higher education would be expected to meet the same standards of educational performance as not-for-profit schools, and would have to meet market tests of profitability. They could be independent, as is the case of the postsecondary sector, or they could be affiliated with existing colleges and universities. Although such commercialization of higher education may pose important conflicts with other university goals and values, the tradeoffs deserve explicit consideration (p. 73).

Any movement in this direction would clearly have far-reaching implications throughout academe. Advantages and disadvantages of this proposal need to be clarified before any specific plans for action can be set forth. Nevertheless, the underlying message is clear: Higher education may have to institute significant changes in its structure and develop additional nontraditional delivery systems if it is to serve the educational needs of the business sector. The alternative is that corporations will assume responsibility for their own educational programs.

Conclusion

The rapid growth of corporate education raises many questions regarding the role of higher education and the ability of colleges and universities to prepare people for work. What is most needed at this time is a thorough examination of the respective teaching and learning responsibilities of business and higher education. Colleges and universities must become more sensitive to the manpower needs of industry and must carefully evaluate their ability to respond to these

needs in a manner that is consistent with their institutional mission. If it hopes to serve corporate learning needs effectively, higher education must become more flexible and adaptable in course and program approval, admissions procedures, residency requirements, and course and program duration (Lynton 1981b).

Colleges and universities have tremendous potential to assume an active and vital role in serving business and industry's educational needs. Craig and Evers (1981) characterize this potential and the need for collaborative efforts:

> Higher education should have increasing opportunities to build new markets with the nation's employers through better assessment of employers' needs. While a vast in-house employer education system is already in place and growing, the educational needs of the next decade are enormous and will demand the best efforts of employers and educators working together (p. 44).

Although corporations have greatly increased their own educational programs and, in a few cases, are offering their own degrees (see McQuigg 1980), this should not necessarily be perceived as a threat to higher education. It is not likely that business and industry will greatly expand its degree-granting activities. The expansion of employer-provided education reflects industry's rapidly changing knowledge requirements. Higher education can fulfill at least some of the educational needs of the business sector; greater expectations would appear to be unrealistic. In many instances, especially in high technology industries, corporations will continue to provide many of their own educational programs because such an arrangement is more beneficial than a joint program with a college or university. Nevertheless, continued development and expansion of cooperative efforts between business and higher education will help clarify the complex education-work relationship.

Resources

For further information on issues related to corporate education and corporate/collegiate partnerships contact:

American Society for Training and Development
600 Maryland Avenue SW, Suite 305
Washington, D.C. 20024
202/484-2390

National Institute for Work and Learning
1211 Connecticut Avenue NW, Suite 310
Washington, D.C. 20036
202/466-2450

Business-Higher Education Forum
American Council on Education
One Dupont Circle, Suite 800
Washington, D.C. 20036
202/833-4716

Program on Noncollegiate Sponsored Instruction
American Council on Education
One Dupont Circle, Suite 800
Washington, D.C. 20036
202/833-4770

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